

### ***Caution: DRAFT FORM***

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**SCHEDULE P**  
**(Form 1120-IC-DISC)**

(Rev. December 2006)  
Department of the Treasury  
Internal Revenue Service

**Intercompany Transfer Price or Commission**

Attach a separate schedule for each transaction or group of transactions to which the intercompany pricing rules under section 994(a)(1) and (2) are applied.

For the calendar year 20\_\_ , or fiscal year beginning \_\_\_\_, 20\_\_ , and ending \_\_\_\_, 20\_\_  
For amount reported on line \_\_\_\_, Schedule \_\_\_\_, Form 1120-IC-DISC

OMB No. 1545-0938

Name as shown on Form 1120-IC-DISC

Employer identification number

Identify product or product line reported on this schedule. (Also, enter the Principal Business Activity code number, if used.) (See instructions.)

This schedule is for a (check one):

Single transaction ☐  
Group of transactions ☐

**Part I IC-DISC Taxable Income**

**SECTION A—Combined Taxable Income**

**Section A-1—If marginal costing is not used**

1	Gross receipts from transaction between IC-DISC (or related supplier) and third party	1
2	Less costs and expenses allocable to gross receipts from transaction:	
a	Cost of goods sold from property if sold, or depreciation from property if leased	2a
b	Related supplier's expenses allocable to gross receipts from transaction	2b
c	IC-DISC export promotion expenses allocable to gross receipts from transaction	2c
d	Other IC-DISC expenses allocable to gross receipts from transaction	2d
e	Add lines 2a through 2d	2e
3	<b>Combined taxable income.</b> Subtract line 2e from line 1. If a loss, enter -0-	3

**Section A-2—If marginal costing is used**

4	Gross receipts from resale by IC-DISC (or sale by related supplier) to third party	4
5	Costs and expenses allocable to gross receipts from sale:	
a	Cost of direct material from property sold	5a
b	Cost of direct labor from property sold	5b
c	IC-DISC export promotion expenses allocable to gross receipts from sales that are claimed as promotional	5c
d	Add lines 5a through 5c	5d
6	Combined taxable income or (loss) before application of overall profit percentage limitation. Subtract line 5d from line 4. If a loss, skip lines 7 through 11 and enter -0- on line 12	6
7	Gross receipts of related supplier and IC-DISC (or controlled group) from all foreign and domestic sales of the product or product line	7
8	Costs and expenses of related supplier and IC-DISC (or controlled group) allocable to gross income from such sales:	
a	Cost of goods sold from property sold	8a
b	Expenses allocable to gross receipts from such sales	8b
c	Add lines 8a and 8b	8c
9	Subtract line 8c from line 7. If a loss, skip lines 10 and 11 and enter -0- on line 12.	9
10	Overall profit percentage. Divide line 9 by line 7. Check if controlled group optional method is used <input type="checkbox"/>	10 %
11	Overall profit percentage limitation. Multiply line 4 by line 10	11
12	<b>Combined taxable income.</b> Enter the smaller of line 6 or line 11.	12

**SECTION B—50-50 Combined Taxable Income Method** (Must be used if marginal costing is used. See instructions.)

13	Combined taxable income. Enter amount from line 3 or line 12	13
14	Multiply line 13 by 50% (.50)	14
15	Enter 10% (.10) of IC-DISC export promotion expenses allocable to gross income from transactions that are claimed as export promotion	15
16	Add lines 14 and 15	16
17	<b>IC-DISC taxable income.</b> Enter the smaller of line 13 or line 16	17

**SECTION C—4% Gross Receipts Method** (Cannot be used if marginal costing is used.)

18	Gross receipts from transaction. Enter amount from line 1	18
19	Multiply line 18 by 4% (.04)	19
20	Multiply line 2c by 10% (.10)	20
21	Add lines 19 and 20	21
22	Combined taxable income. Enter amount from line 3 or amount computed under special rule. If special rule is applied, check here <input type="checkbox"/> . See instructions.	22
23	<b>IC-DISC taxable income.</b> Enter the smaller of line 21 or line 22	23

**Part II**      **Transfer Price From Related Supplier to IC-DISC** (See instructions.)

<b>24</b>	Gross receipts from transaction. Enter amount from line 1 or line 4, Part I . . . . .		<b>24</b>	
<b>25</b>	Less reductions:			
	<b>a</b> IC-DISC taxable income (but not to exceed amount determined in Part I) . . . . .	<b>25a</b>		
	<b>b</b> IC-DISC export promotion expenses allocable to gross income from transaction . . . . .	<b>25b</b>		
	<b>c</b> Other IC-DISC expenses allocable to gross income from transaction . . . . .	<b>25c</b>		
	<b>d</b> Add lines 25a through 25c . . . . .		<b>25d</b>	
<b>26</b>	<b>Transfer price from related supplier to IC-DISC.</b> Subtract line 25d from line 24 . . . . .		<b>26</b>	

**Part III**      **IC-DISC Commission From Related Supplier** (See instructions.)

<b>27</b>	IC-DISC taxable income (but not to exceed amount determined in Part I) . . . . .	<b>27</b>	
<b>28</b>	IC-DISC export promotion expenses allocable to gross receipts from transaction . . . . .	<b>28</b>	
<b>29</b>	Other IC-DISC expenses allocable to gross receipts from transaction . . . . .	<b>29</b>	
<b>30</b>	<b>IC-DISC commission from related supplier.</b> Add lines 27 through 29 . . . . .	<b>30</b>	

